Canadian Forces Grievance Board

Departmental Performance Report

For the period ending
March 31, 2008

The Honourable Peter G. MacKay
Minister of National Defence

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SECTION I – OVERVIEW

Chairperson's Message

I am pleased to submit the Canadian Forces Grievance Board's (CFGB) seventh Departmental Performance Report for the period ending March 31, 2008.

After eight years in operation, the CFGB has reached a high level of maturity as a key organization in military complaint resolution. Its significant contribution to the Canadian Forces grievance system is now widely recognized and its credibility with grievors and the senior leadership of the Canadian Forces well established. On the management side, the Board's commitment to excellence was validated by two audits conducted in 2007. Both the Office of the Auditor General and the Public Service Commission confirmed the CFGB's effective internal management practices in a number of key areas.

Still, the CFGB keeps seeking ways to improve. Recently, we conducted an in-depth review of our internal processes and took steps to make modifications in order to achieve greater operational efficiency, while maintaining the high quality of our analysis and Findings and Recommendations.

The Board has been in discussion with Canadian Forces authorities regarding an expansion of our mandate. Currently, regulations restrict us to certain subject matters, which effectively means we only see approximately 40% of grievances at the Final Authority level. An expanded mandate would mean every grievance at the Final Authority level would have the benefit of an independent, external review and, at the same time, have access to the Board's considerable knowledge and unique in-house expertise. It is our strong belief that an expanded mandate will bolster confidence in the Canadian Forces grievance system as a whole.

While reviewing grievances, we gather a great deal of information of interest to the Canadian Forces. Complaints can serve as indicators of broader or systemic issues and can provide insight into current or future challenges. This information can be valuable for preventing problems and for improving Canadian Forces policies and procedures. The Board is now looking into ways to package this useful information and intends to share it with decision makers within the Canadian Forces.

The Board will continue to build on its experience and knowledge. I am confident it will continue to make progress towards ensuring an efficient and fair grievance process system is available to all Canadian Forces members.

Jim Price
Acting Chairperson

Management Representation Statement

I submit for tabling in Parliament, the 2007-2008 Departmental Performance Report for the Canadian Forces Grievance Board.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Jim Price
Title: Acting Chairperson

Summary Information

The Grievance Context –

The concept of military personnel having the right to grieve and receive redress is not new. Canada's introduction, in the year 2000, of an extra-military component to the Canadian Forces grievance system represented a major innovation in the handling of military grievances. That innovation was the creation of the Canadian Forces Grievance Board.

As stipulated in the *National Defence Act* (NDA) and Chapter 7.12 of the *Queen's Regulations and Orders for the Canadian Forces* (QR&O), the Board's mandate is to review all military grievances referred to it by the Chief of the Defence Staff (CDS). Following its review, the Board submits its Findings and Recommendations (F&Rs) to the CDS, simultaneously forwarding a copy to the grievor. It is the CDS, however, who is the final adjudicator on the grievance.

Chapter 7.12 of the QR&O sets out the types of grievances that can be referred to the Board. Specifically:

(1) The Chief of the Defence Staff shall refer to the Grievance Board any grievance relating to the following matters:

  (a) Administrative action resulting in the forfeiture of, or deductions from, pay and allowances, reversion to a lower rank or release from the Canadian Forces;

  (b) Application or interpretation of Canadian Forces policies relating to expression of personal opinions, political activities and candidature for office, civil employment, conflict of interest and post-employment compliance measures, harassment or racist conduct;

  (c) Pay, allowances and other financial benefits; and

  (d) Entitlement to medical care or dental treatment.

(2) The Chief of the Defence Staff shall refer every grievance concerning a decision or an act of the Chief of the Defence Staff in respect of a particular officer or non-commissioned member to the Grievance Board for its Findings and Recommendations.

Section 29.12 of the NDA stipulates that the CDS may also refer any other grievance to the Board.

Financial Resources ($000's)

2007-2008		
Planned Spending	Total Authorities	Actual Spending
$6,429.0	$6,775.6	$6,222.0

Human Resources *

2007-2008		
Planned	Actual	Difference
46	42	4

* Includes Board Members appointed by Governor in Council.

Departmental Priorities

Name	Type	Performance Status
1. Operational performance	Ongoing	Successfully met
2. External Communications	Ongoing	Successfully met
3. Improving the Canadian Forces Grievance System	New	Successfully met

Program Activities by Strategic Outcome

Expected Results	Performance Status	2007-2008 Planned Spending	2007-2008 Actual Spending	Contribution to the following priority
Strategic Outcome: Findings and Recommendations of the Canadian Forces Grievance Board are implemented and lead to improved conditions of service for members of the Canadian Forces.				
Program Activity: Review of Canadian Forces grievances referred by the Chief of the Defence Staff • A steady state of operations in which grievance reviews are completed on average within six months of receipt. • Consistent high quality of analysis, Findings and Recommendations. • Stakeholders recognize the value-added of the Board's Findings and Recommendations. • A grievance review process that eliminates any duplication of effort as between the Board and the Director General Canadian Forces Grievance Authority (DGCFGA). • An efficient grievance review process. • All grievances from members of the Canadian Forces benefit from a review by an independent Board.	Successfully met	3,348.0	3,325.2	Priorities #1, #2 and #3.

	Expected Results	Performance Status	2007-2008 Planned Spending	2007-2008 Actual Spending	Contribution to the following priority
Program Activity: Internal Services	• Sound internal management practices in accordance with the Management Accountability Framework (MAF) and reflected in the Board's Management, Resources and Results Structure (MRRS) and Performance Measurement Framework	Exceeded expectations	3,081.0	2,896.8	Priorities #1, #2 and #3

Departmental Performance

Context and Operating Environment

During the period covered by this report, the Canadian Forces Grievance Board (CFGB) made significant progress in its efforts to contribute to the transparency and the efficiency of the grievance system for Canadian Forces members. The Board agreed to participate in a pilot project with the Canadian Forces Grievance Authority (a group within National Defence) to test a new process with the objective of reducing the elapsed time and minimizing the duplication of analysis. As well, during the same period, the Board was the subject of two audits; the Auditor General conducted performance audits on three small entities, one of which was the Board; and an audit by the Public Service Commission. As well the Board took part, for the first time, in the Round V Management Accountability Framework (MAF) assessment.

Program Activity: Review of Canadian Forces grievances referred by the Chief of the Defence Staff

Expected Results:

- A steady state of operations in which grievance reviews are completed on average within six months of receipt.
- Consistent high quality of analysis, Findings and Recommendations.
- Stakeholders recognize the value-added of the Board's Findings and Recommendations.
- A grievance review process that eliminates any duplication of effort as between the Board and the grievance authority within the National Defence.
- An efficient grievance review process.
- All grievances from members of the Canadian Forces benefit from a review by an independent Board.

Risks:

- Loss of credibility and relevance vis-à-vis members and leadership of the Canadian Forces.
- Lack of recognition of the value-added of the Board's work.
- Failure to meet expectations of a more timely and efficient system.

Main Achievements

The evolution of the grievance process

A pilot project to test a new process between the Board and the Grievance Authority within DND was undertaken. Under the new process, the Board added two steps: once the case analysis is completed, both the Grievance Authority and the grievor are provided with the analysis report for comments and to give the grievor an opportunity to make representations for the Board's consideration prior to the issuance of its Findings and Recommendations.

Timeliness of the review

Previously, the Board had established an average timeline of six months to complete a grievance. This standard did not include the additional time needed for the completion of the two steps introduced under the new process. As part of monitoring the new process, the Board had considered adjusting its six-month standard to take into consideration the time necessary to completing the new process' two additional steps; instead it made the new steps concurrent to other steps in its review and the revised process was adopted.

Table 1 shows the length of time the Board took, on average, to complete cases, categorized by the year in which they were received.

Table 1

Year Referred to CFGB	# Cases Received	# Cases Completed	Less than 6 months	6 months to 1 year	More than 1 year
2000	179	179	7.3%	9.5%	83.2%
2001	105	105	9.5%	24.8%	65.7%
2002	205	205	6.8%	13.7%	79.5%
2003	146	146	6.2%	11.6%	82.2%
2004	102	101	5.9%	27.7%	66.3%
2005	80	80	10.0%	22.5%	67.5%
2006	63	61	49.2%	27.9%	23.0%
2007	165	66	50.0%	50.0%	0.0%

Data as of March 31, 2008

Table 2 outlines the distribution by outcomes of the 103 cases for which the Board rendered Findings and Recommendations in 2007-2008.

Table 2

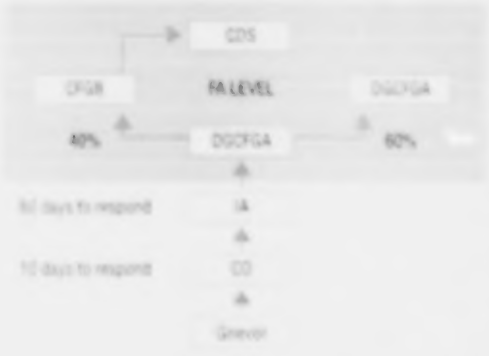
Grievance Categories	Upheld	Partially Upheld	Withdrawn due to CF Informal Resolution	Withdrawn	Denied	No Standing *	Total
Financial	9	4	4	4	22		**43**
General	4	4	2	1	12		**23**
Harassment-Discrimination	3	4		1	5		**13**
Release	1	1	2	4	15	1	**24**
Total	**17**	**13**	**8**	**10**	**54**	**1**	**103**

* No standing – The Party does not have the right to make a legal claim or seek judicial enforcement of a duty or right (e.g. a non-member of the CF).

The Board hopes to see an increase in informal resolutions and withdrawals before its Findings and Recommendations are submitted to the CDS for a decision. The increase of such informal resolutions and/or withdrawals early in the process appears to be one of the benefits of the new, more transparent process.

Expanded mandate – Ensuring fairness for all

Figure 1 – The CF Grievance System



The application of the *Queen's Regulations and Orders* (QR&O), article 7.12 results in approximately 40 percent of the grievances at the Final Authority (FA) level being reviewed by the Board, while the DGCFGA is responsible for the remainder.

As shown in Figure 2, the DGCFGA provides support to the CDS as the FA and has also been delegated the authority to act as decision-maker in most of the grievances not mandatorily referred to the CFGB pursuant to Section 29 of the *National Defence Act* (NDA) and article 7.12 of the QR&O.

As previously mentioned, the CFGB and DGCFGA mutually agreed to pilot a new process with a view to enhancing the overall efficiency of the CF grievance system. In June 2007, the trial process was expanded to include all grievances received by the CFGB and officially became the new process. Furthermore, the Chief of the Defence Staff referred to the CFGB a number of discretionary files to assess its capacity to review files of a type not ordinarily referred to the Board (for example, grievances involving personal evaluation reports). To date data shows that the time it takes to review those types of cases is no longer than the types mandatorily referred to the Board.

Having the Board review every file would ensure that all grievances are subject to the same process and that all CF members who wish to grieve are provided with equal access to an external review. The Board firmly believes that an expansion of its mandate would bolster confidence in the CF grievance system.

Lessons Learned

As a result of the disclosure of the analysis report, both the grievor and the CF benefit from a more transparent process and gain a better understanding of the issues surrounding the grievance. This process has facilitated an increase in informal resolutions by the CF and withdrawals of grievances much earlier in the process than was previously the case.

Several factors outside the Board's control can affect the time taken to review a grievance, including timeliness with which a grievance is referred to the Board, its complexity, delays in obtaining relevant information, and in some instances, the number of Board Members available to review grievances.

Communications Initiatives

Raising awareness and having direct contact with the men and women of the CF and other stakeholders are integral to fulfilling the Board's mandate. Based on this understanding, outreach activities continued to be an important part of the Board's communication initiatives in 2007. Throughout the year, Board members and senior management visited military bases and made presentations to groups of key stakeholders. These meetings and presentations further highlighted the Board's role within the CF grievance process, its decisions and its accomplishments – helping to strengthen confidence in the work of the Board and in the CF administrative justice system as a whole.

Throughout the year, the Board regularly updated its Website adding new information and case summaries. The Board's Website is a key element to its external two-way communications strategy designed to share information with CF members and stakeholders, while gauging their perceptions and expectations.

As well, in 2007, the Board continued to produce its *eBulletin* electronic newsletter available through subscription. The newsletter highlights current and relevant cases reviewed by the Board. It describes the Board's Findings and Recommendations and the CDS' final decision for each case. It also provides updates on key grievance statistics and Board activities. The *eBulletin* is a useful vehicle for informing CF members of the impact of the Board's work and on any systemic changes arising from grievance outcomes.

Anyone who would like to receive the *eBulletin* can subscribe through the Board's Website: http://www.cfgb-cgfc.gc.ca

Program Activity: Internal Services

Expected Results:

- Sound internal management practices in accordance with the Management Accountability Framework (MAF) and reflected in the Board's Management Resources and Results Structure (MRRS) and Performance Measurement Strategy.

Risks:

- Failure to meet expectations and loss of credibility.

Main achievements

Audit results reveal sound practices at the Board

The Board works to ensure sound internal management practices and rigorous planning of human and financial resources. Two external audits in 2007 credited the Board with good performance in a number of measures related to important areas.

Report from the Office of the Auditor General

In 2007, the Office of the Auditor General (OAG) reported that the CFGB applied good management and control practices in the spending of public funds. The Auditor General conducted performance audits on three small entities and reported the results in Chapter 2 of the October 2007 Report of the Auditor General.

The report stated that "the Board is managing well in all six areas covered by the audit," which included acquisition cards, contracting, executive travel, executive compensation, hospitality and selected areas of human resources management. The audit covered the period from April 1, 2004 to September 30, 2006. Overall, the OAG was satisfied with the findings and, as such, made no recommendations.

Audit from the Public Service Commission

In October 2007, the Public Service Commission (PSC) reported overall satisfaction with the Board's staffing activities following an audit covering the period from January 1, 2006 to December 31, 2006.

The PSC audit found that "the Board had an appropriate framework, systems and practices in place to manage its staffing activities." It also concluded that all advertised appointment processes complied with the *Public Service Employment Act* (PSEA), other governing authorities and policies and the instrument of delegation signed by the PSC.

The PSC did, however, express concerns about five non-advertised appointment processes which it reviewed, saying they did not comply with the policy requirement for a written rationale. The Chairperson of the Board is committed to addressing the issues raised in the audit.

Round V Assessment Management Accountability Framework (MAF)

The Management Accountability Framework (MAF) summarizes the management conditions that need to be in place to ensure that government is well-managed.

This is the first time the Treasury Board Portfolio has undertaken a MAF assessment of the Canadian Forces Grievance Board. The following is an overview of the assessment:

> "Overall, the Board has sound management practices that are reflective of the size and nature of its business and that deliver value to decision makers. This is evident given that of the 19 rated areas of management, CFGB received 1 "strong" rating, 15 "acceptable" ratings and 3 "opportunity for improvement" ratings. No area of management was rated as attention required. "
>
> In the context of CFGB's overall performance, some notable areas of strength include:
>
> - CFGB's corporate governance is strong. As a small agency, senior management is engaged in all levels of the corporate governance structure, facilitating oversight of and informed decision-making on the Board's single business line.
> - CFGB received a rating of "acceptable" in the area of values and ethics. Senior management has ensured that appropriate and accessible avenues are in place for employees to raise concerns about wrongdoing in the workplace. They are proactively engaging employees on organizational ethical issues and have planned training sessions on the Public Servants Disclosure Protection Act.
> - The Board has performed well with respect to human resources planning, official languages and learning plans. All employees occupying bilingual positions meet the language requirements of their positions and all meetings are held in both official languages. In addition, all employees have a learning plan.
>
> The following key areas of concern have been identified in this year's assessment:
>
> - Common Look and Feel 2.0 – CFGB should ensure clear accountability for implementation of this initiative within the required timeframe.

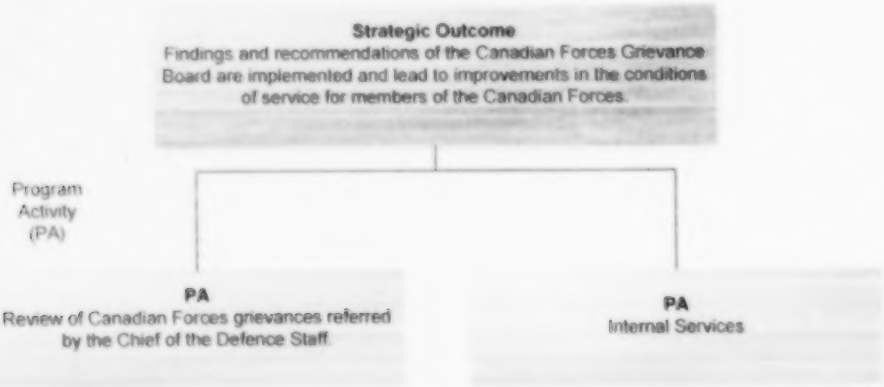
Lessons Learned

The Board is ever mindful that careful planning of its resources goes a long way towards ensuring that the quality of its work is not compromised. This includes the continuity and renewal of its specialized workforce in keeping with changes flowing from the *Public Service Modernization Act*.

The Board will also continue to cultivate its management practices using the Government's own blueprint for sound management, the Management Accountability Framework.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Program Activity Architecture


Strategic Outcome
Findings and recommendations of the Canadian Forces Grievance Board are implemented and lead to improvements in the conditions of service for members of the Canadian Forces.
Program Activity (PA)
PA
Review of Canadian Forces grievances referred by the Chief of the Defence Staff.
PA
Internal Services

Program Activity Architecture (PAA)	
Review of Canadian Forces grievances referred by the Chief of the Defence Staff.	
• Case Management and Research	• Legal Support • Other
Internal Services	
• Governance and Management Support • Resource Management Services • Asset Management Services	

Program Activity: Review of Canadian Forces grievances referred by the Chief of the Defence Staff.

Financial Resources:

(in $000,s)

Planned Spending	Authorities	Actual Spending
$3,348.0	$3,359.8	$3,325.2

Human Resources:

Planned	Actual	Difference
28	29	(1)

Program Activity: Internal Services

Financial Resources:

(in $000,s)

Planned Spending	Authorities	Actual Spending
$3,081.0	$3,415.8	$2,896.8

Human Resources:

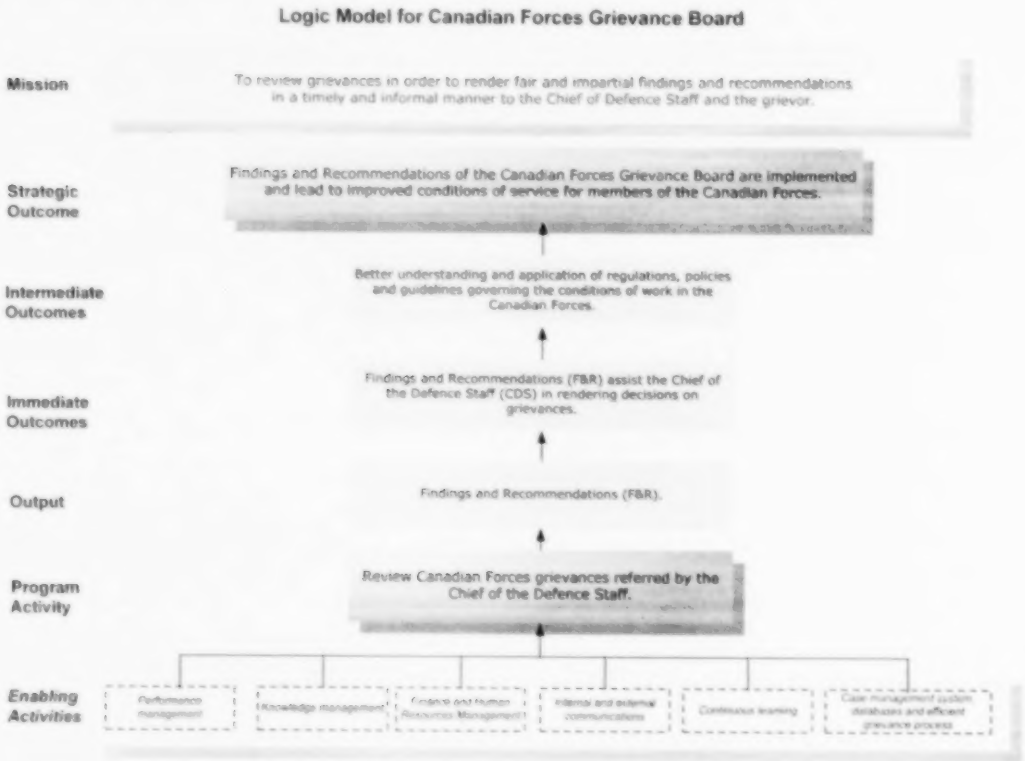
Planned	Actual	Difference
18	13	5

The Board conducts objective and transparent reviews of grievances with due respect to fairness and equity for each member of the CF, regardless of rank or position. It ensures that the rights of military personnel are considered fairly throughout the process and is committed that its Board Members act in the best interest of the parties concerned. The Findings and Recommendations it issues are not only based in law but form precedents which ensure coherence in the interpretation and the application of policies and regulations within the Canadian Forces.

As an institution vested with quasi-judicial powers, the Board must ensure that its recommendations conform to law and in accordance with its enabling statute and the relevant legislation. In particular, the Board members must be conversant with decisions taken by the Canadian courts in the various areas related to the Canadian Forces and that may affect the Board's work or the grievances it has to review. The Board must respect the decisions taken by higher courts regarding grievances by CF members, including the Federal Court, Trial Division. The Board members shall be responsible for knowing, among others regulations: the Queen's Regulations and Orders for the Canadian Forces (QR&O), the Canadian Forces Administrative Orders (CFAOs) and the Treasury Board policies which apply to the grievance in question and which help to support the analysis, and assist in the development of the Board's Findings and Recommendations.

Expected Results

The Board's Logic Model demonstrates how each of the items contributes to the fulfillment of the Board's mission and the achievement of its strategic outcome.


Logic Model for Canadian Forces Grievance Board
Mission
To review grievances in order to render fair and impartial findings and recommendations in a timely and informal manner to the Chief of Defence Staff and the grievor.
Strategic Outcome
Findings and Recommendations of the Canadian Forces Grievance Board are implemented and lead to improved conditions of service for members of the Canadian Forces.
Intermediate Outcomes
Better understanding and application of regulations, policies and guidelines governing the conditions of work in the Canadian Forces.
Immediate Outcomes
Findings and Recommendations (F&R) assist the Chief of the Defence Staff (CDS) in rendering decisions on grievances.
Output
Findings and Recommendations (F&R).
Program Activity
Review Canadian Forces grievances referred by the Chief of the Defence Staff.
Enabling Activities
Performance management
Knowledge management
Finance and Human Resources Management
Internal and external communications
Continuous learning
Case management system database and efficient grievance process

Immediate outcomes: These are the short-term results of the Board's activities and its output	
Expected Result Findings and Recommendations (F&R) assist the Chief of the Defence Staff (CDS) in rendering decisions on grievances	**Indicator**: % of CDS Decisions in agreement with CFGB's recommendations **Data Source**: CDS Decisions on cases **Target**: CDS agrees with 80% of CFGB's recommendations

Overview of CDS Decisions

CDS Decisions Received in 2007-2008

During 2007-08, the Board received CDS decisions on 95 grievances. The CDS was in full and partial agreement on 83 cases and in full acceptance of the informal resolutions on 4 cases which represent 91% of the cases he reviewed.

	CDS DECISIONS RECEIVED IN 2007-2008					
CFGB's Findings and Recommendations	CDS fully endorses CFGB's F&R	CDS partially endorses CFGB's F&R	CDS does not endorse CFGB's F&R	Case withdrawn at CDS Level	CF Informal Resolution	Total
Upheld	1	4	2		2	**9**
Partially Upheld	2	5	3			**10**
Denied	58	5		3		**66**
Withdrawn *	8					**8**
Withdrawal due to CF Informal Resolution *					2	**2**
Total	**69**	**14**	**5**	**3**	**4**	**95**

* The CFGB issues Findings and Recommendations for all referred grievances even in cases of withdrawals and informal resolutions.

Informal Resolutions and Withdrawals

These informal resolutions came about after the Board had submitted its Findings and Recommendations to the CDS for a final decision, which in turn may have influenced the move to an informal resolution.

Three cases were withdrawn by the grievor subsequent to the issuance of the Board's Findings and Recommendations, but prior to the CDS decision on their case because the grievors declared themselves satisfied with the explanations found in the Board's Findings and Recommendations, despite the recommendation to deny the grievance.

Intermediate Outcomes: These are the longer term results, that flow from the Board's activities, outputs and immediate outcomes, and which will demonstrate progress towards achieving its ultimate result	
Expected Result Better understanding and application of regulations, policies and guidelines governing the conditions of work in the Canadian Forces.	**Indicator**: % of systemic recommendations that merit further study. * **Data Source**: Review of progress through Canadian Forces (CF) Office of Primary Interest (OPI). **Target**: 75% of recommendations that merit further study are accepted. * *Success regarding this performance indicator will be assessed through formal evaluations every 5 years.*
	Indicator: % of CDS agreement with the Board's recommendations regarding interpretation and application of regulations, policies and guidelines. * **Data Source**: CDS Decisions on cases **Target**: 80% agreement * *Success regarding this performance indicator will be assessed through formal evaluations every 5 years.*

Alerting the CDS to systemic issues

By the end of its first year, the Board realized that there were grievances reflective of recurrent issues, caused by rules and regulations appropriate for the military workplace, but not adjusted to address changing working conditions—let alone changing social mores.

It is important to keep in mind that in the military environment, rules and regulations must of necessity be followed rigidly. Adjusting employment policies to address variations is therefore much more onerous than it is in the private sector.

The Board's mandate, however, does place it in an ideal position to identify systemic problems. Its full-time focus on grievances, its in-depth analysis of every case, its grievance-tracking systems, its ability to investigate all aspects of the apparent cause of a particular grievance, and its ever-growing library of precedents make it easy to recognize when certain types of grievances seem to be clustering around a systemic stumbling block.

The Board therefore decided that, where recurring grievances appeared to be triggered from systemic issues of which the CDS might be unaware, it would be useful to flag them in the findings and include recommendations that the CDS consider for further investigation. If the Department of National Defence (DND) could address a given issue, the likely result would be better working conditions, improved morale, and ultimately, elimination of future grievances related to the subject.

Consequently, at any given time, the Board keeps in mind issues that might be ameliorated through systemic changes; it has completed many investigations that have enabled it to include with its recommendations possible systemic areas for the CDS to consider further. The Board also believes that its systemic recommendations are among the major contributions it can make towards improving the quality of working life in the CF. Towards this end, the CDS response has been largely favourable. While not always in agreement on every recommendation, in the many cases where the CDS has agreed, he has directed the appropriate DND or CF authority to investigate further.

The following illustrates the types of recurring issues that the Board has recommended for further investigation, and describe the CDS' responses.

Systemic Issues	CDS's response
Acting While So Employed (AWSE) Where the establishment for a rank is not filled by a CF member holding that rank, a CF member of lower rank may be carried against the vacancy, by the appropriate authority, for a specific period of time, subject to certain prerequisites set out in the regulations and policies. However, there are situations when some the requisites can be waived by the CDS.	The A/CDS followed the Board's recommendation that a review of the AWSE policy be undertaken to determine if the spirit and intent of the Standing Committee on National Defence and Veterans Affairs (SCONDVA) Recommendation 12 is given effect. The A/CDS also asked the Assistant Deputy Minister (Human Resources - Military) ADM (HR-Mil) now Chief of Military Personnel (CMP) to examine whether the AWSE principles remain sound or require change and if the policy and the supporting processes are clearly communicated.
Aircrew Allowance (AIRCRA) Subject to any limitations prescribed by the Minister, an officer of the Regular Force is entitled, if he is a pilot and is employed in a flying position designated by the Minister to Aircrew Allowance at the appropriate monthly rate.	The CDS agreed with the systemic recommendation that the pertaining regulations on "continuous, substantial and sporadic exposure" to the flying environment be reviewed to ensure that clear-cut criteria are established to more accurately reflect the actual flying duties being performed as opposed to the organizational technicality of occupying a designated position. The CDS recognized that it has raised broader issues that merit further consideration. Accordingly, the CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP) to consider this Board's recommendation and determined whether the current CF regulations required amendment.
Annual Leave – Reserve Policy On March 25, 2004, CANFORGEN 046/04 announced changes to the administration of annual leave. The policy stated that, effective 1 April 2004, prior time spent in the Reserve Force would be taken in consideration for the calculation of annual leave when transferring to the Regular Force. However, this amendment did not consider changes to the requirement of having 28 years in the Regular Force in order to grant 30 days of annual leave.	Based on the Board's finding that all members of the Regular Force, who have served 28 years, combined or not, deserve the same recognition for their long service, the CDS agreed with the Board's recommendation that the leave policy be reviewed. **Update**: The Director General Compensation and Benefits has informed the CDS that the harmonization of annual leave entitlements for the Regular and Reserve Forces will be included on the list of policy development options planned for 2008.
Cadet Summer Training Centre (CSTC) The grievor grieved the practice of attach posting Cadet Instructor Cadre (CIC) members while Regular and Primary Reserve (P Res) Force members attended CSTCs on Temporary Duty (TD) contending that it was discriminatory. The Board recommended that the CDS amend the current instruction which requires CIC members to be attach-posted for CSTC duties while other component members are on TD.	The CDS directed the Vice-chief of the Defence Staff (VCDS) to conduct a review to address the question of inequitable treatment of Reservists employed at CSTC's. The CDS added that this review should assess the need to treat CIC officers at CSTC's differently than other personnel, and the feasibility to harmonize benefits.

Systemic Issues	CDS's response
Canadian Forces Superannuation Act (CFSA) **Update:** Reserve Force concerns/problems in relation to election to count prior service, entitlement to annuity, reserve pension plan, and reserve force retirement gratuity were addressed with the review of the Canadian Forces Superannuation Act which was recently amended.	As recommended by the Board, the CDS asked that the grievors cases be brought to the attention of the CFSA Review Project.
CF Drug Control Program The grievor contested the administrative release from the Canadian Forces (CF) through the application of the CF Drug Control Program, contained in Queen's Regulations & Orders (QR&O) Chapter 20 and Canadian Forces Administrative Orders (CFAO) 19-21. At issue is the appropriateness of the release. The Board recommended ensuring that assistance efforts are not thwarted the way they were in this case (it appeared that the grievor's seeking assistance under the Drug Control Program had led to an undercover operation against her). Future willingness of CF members to come forward and avail themselves of assistance, and the success of the resulting CF sponsored programs, depend on members' trust in the sincerity of the organisation seeking to provide assistance to its personnel who are trying to overcome personal difficulties.	The CDS agreed the release was inappropriate and offered re-enrolment with Counselling & Probation (C&P) conditions. The CDS also tasked the VCDS with looking into the Board's recommendation and reporting to him in due course.
Compensate time when undergoing compulsory medical examination The grievor contested the decision to deny him financial compensation for time taken to complete his military medical examination. The grievor, a member of the Cadet Instructor Cadre (CIC), was instructed that he was required to undergo his over-forty periodic military medical exam but that he would not be entitled to receive pay or expenses for the time allotted for the medical exam. The Board found that CIC members should be compensated for the time taken to undergo medical examinations and recommended that the CF amend its practice accordingly.	The CDS asked the VCDS to review the practice in light of this decision.
Dependant - Definition The Board issued Findings and Recommendations on this matter and noted that the different definitions of dependant pursuant to the Canadian Forces Integrated Relocation Program (CFIRP) and the Compensation and Benefits Instructions (CBI) were cause for confusion for members of the CF, as well as those administering the policies.	Considering that the different definitions of dependant pursuant to the CFIRP policy manual and the CBI were cause of confusion, although CBI 207 Section 9 is now under review, in light of this grievance, the CDS asked the Chief Military Personnel to integrate this finding on dependant's definition in the CFIRP policy review. Consequently, the Board's recommendation regarding the review of the current definition of "dependant" was endorsed by the CDS.

Systemic Issues	CDS's response
The Board recommended that the CDS direct an examination and review of the definitions of dependant pursuant to the CFIRP and the CBI, to clarify and harmonize the definitions with respect to the relocation of CF personnel and their families.	
Dress and Hair Policies A Commander exceeded his authority in asking the grievor to remove the red highlights from her hair and requiring her to put up her hair in a "busby" style. The Board recommended evaluating whether it is necessary to develop a policy that applies specifically to hair in connection with the "Busby" helmet worn during certain ceremonies and considering whether the current general policy is satisfactory or whether it should be amended or clarified for certain ceremonies.	The CDS agreed with the Board's recommendation that a review be carried out to consider the appropriateness of developing a policy on this issue.
Incentive Pay Category A number of grievances clustered around the issue of pay changes that occur when a grievor has been transferred from the Reserve Force to the Regular Force. The Board recommended that the CDS take measures to quickly complete the review of the CF pay structure and the regulations that deal with vested rights and former service, and initiate amendments to Queen's Regulations and Orders articles 204.21135 and 204.21535.	The CDS noted the Board's recommendation and directed the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to initiate a review of these issues. The CDS has been informed that the review is being conducted by the Director of Pay Policy and Development (DPPD). He was therefore satisfied that this recommendation was being addressed.
Leave Transportation Allowance (LTA) In accordance with the regulation, this benefit is designed to financially assist members, once in each leave year where applicable, to visit family members or next of kin.	The CDS did not agree with the Board's recommendation that CBI 205.45 be amended to extend the Post Living Differential (PLD) benefit to all reservists serving on a full-time basis in a PLD area, nor that immediate consideration be given to reviewing and revising CBI 205.45. However, the CDS directed that ADM (HR-Mil) (now Chief of Military Personnel (CMP))review the grievor's observations and consider whether there was a need to further revise CBI 205.45. The CDS directed ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to revise the appropriate policies instructions that impose limitations on LTA to ensure they are consistent with the intent of CBI 209.50.
Overpayment The regulations and policies confirm the Crown's right and obligation to recover an overpayment of salary or/and allowances to CF members, once an error is detected. In these cases, the overpayments constitute the grievor's debt to the CF since he received payments he was not entitled to.	The CDS agreed with the Board's recommendation that a standardized approach to the recovery of overpayments be adopted. To that end, the CF is presently exploring the feasibility of amending the *National Defence Act* and the *Canadian Forces Superannuation Act* to adopt a standardized and comprehensive approach to the recovery of overpayments, including the implementation of a system that would support longer times to complete

Systemic Issues	CDS's response
	the recovery so as to minimize the disruption to family finances caused by such recovery actions.
Post Living Differential (PLD) The PLD was designed to stabilize the cost of living of CF members and their families, especially when a posting required the member to move to an area of high living costs. Places of duty in Canada in which costs were above average were designated as Post Living Differential Areas (PLDA). The conditions of entitlement to payment of PLD are set out in QR&O article 205.45. National Defence Headquarters (NDHQ) issued several CANFORGEN messages describing the PLD benefit. There were some inaccuracies and omissions in these messages. Following the January 9, 2000, revision to the regulation, NDHQ issued a CANFORGEN message on January 23, 2001, which described the substantive elements of the regulation that had taken effect on April 2, 2000. The Board recommended that, when the policy on the PLD benefit, as expressed in QR&O article 205.45, be reviewed, consideration be given to harmonizing allowances between Reserve Force members serving on a full time basis and Regular Force members.	The CDS agreed with the Board's recommendation that the policy on the PLD benefit as expressed in QR&O article 205.45 be reviewed and that consideration be given to harmonizing allowances between Reserve Force members serving on a full time basis and Regular Force members. The CDS has asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to consider this recommendation and report on it in due course. **Update**. CANFORGEN 175/07 was released in November 2007, announcing amongst others, the changes regarding PLD with respect to Reserve Force members. Those reservists are entitled to PLD: - When authorized to move HG&E at public expense to their place of duty for a period of nationally solicited Class B or C service. - When a reservist finds subsequent reserve force employment within 90 days as opposed to one year in the same area.
Posting Allowance (PA) A CF member who has attained career status is entitled to this benefit when posted from one place of duty to another place of duty in circumstances that entitle the member to move their dependants at public expense or would have entitled the member to move their dependants. The Board recommended that a study be conducted on reservists' work conditions, particularly when they have the possibility to work full time and for a long period. The Board recommended on another case to recognize Class "B" service as entitling a member to the PA on transfer to the Regular Forces when such transfer benefits the CF.	The CDS agreed with the Board's findings and recommendations, including the recommendation that a study be conducted on reservists' work conditions, particularly when they have the possibility to work full-time and for a long period. This study will include a comparison between employment conditions in the Res F and Reg F. The CDS asked ADM(HR-Mil) (now Chief of Military Personnel (CMP)) to take them into consideration and prepare recommendations.
Procedural Fairness Procedural fairness is essential when any type of process is undertaken that may affect an individual's interests and rights. In accordance with this principle, a CF member has the right to be heard; in other words, to know the case against him/her and to have a fair opportunity to respond to the allegations and allow him/her to present evidence and arguments. The principle of disclosure guiding the release of information includes the right of an individual to know what has been said about him in a timely manner. Finally, procedural fairness includes	The CDS asked ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to ensure that these procedures be revised to conform to the rules of Natural Justice and Procedural Fairness, and that he report to the CDS in due course.

Systemic Issues	CDS's response
the right to an impartial process and decision. The Board submitted systemic recommendations regarding: modifying harassment investigation policy to require reasons for decisions; acknowledging essential safeguards of having separate harassment investigators and harassment advisors; ensuring policy regarding Reserve members' right to leave the CF are communicated clearly; review of the procedures governing Progress Review Board (PRB).	
Quality of provided information The Board submitted systemic recommendations in relation to information provided to CF members regarding: Posting Allowance; Quick Sale Incentive; and Restricted release. The Board recommended: that improvement be made to the quality of information to members, in relation to financial questions; that measures be taken to ensure that those who re-enrol (or transfer) as skilled applicants in the CF understand its policies with regard to restricted release.	The CDS directed that the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) bring the Board's recommendations to the attention of the Director General Compensation and Benefits (DGCB) so that they can be taken into account in assessing the performance and governance of the relocation services program. The CDS asked that ADM (HR-Mil) (now Chief of Military Personnel (CMP)) consider the Board's recommendations related to Restricted release and Posting Allowance and report its analysis in due course.
Relief from the performance of military duty The Board found that Class A Reservists should be able to rely on minimum service requirements as a basic commitment on the part of the Canadian Forces. The Board thus recommended that the regulations pertaining to relief from the performance of military duty be re-examined.	The CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to re-examine the regulations pertaining to relief from the performance of military duty in the case of Class A Reservists.
Relocation Benefits The CF members' moves are governed by the Canadian Forces Integrated Relocation Program (CFIRP) which represents the Treasury Board's approved policy for CF members on relocation of their Dependants, Household Goods and Effects (HG&E). The CFIRP provides options within a policy framework, to allow the member to choose specific relocation benefits in order to facilitate door-to-door moves, and to ensure fair and reasonable reimbursement of necessary relocation expenses.	
Relocation Benefits – Home Inspection Fees (HIF) The Board recommended that the Quality of Life section study whether provincial home warranty schemes are equivalent in fact to the benefit of a professional building inspection of new as well as older homes, and that subject to the findings of the study, an amendment to QR&O 209.96(6) be considered.	The CDS has asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to determine whether the current CF policy and regulations require amendment.

Systemic Issues	CDS's response
Relocation Benefits – House Hunting Trip (HHT) The Board found that there was an inconsistency in providing for reimbursement from the core component up to a set maximum when child care is hired during the house hunting trip (HHT), but not paying anything from the core component when the same children are taken on the HHT. The Board recommended that certain corrective measures be considered.	The CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to ensure that the inconsistency identified by the Board is examined, that the feasibility of an amendment is explored, and a report is provided to him in due course.
Relocation Benefits – Integrated Relocation Pilot Project (IRPP) – Customized Envelope The Board recommended that, when revision of the IRPP is discussed with Treasury Board, consideration be given to the issue of distance of the move in relation to the customized envelope.	The CDS requested that ADM (HR-Mil) (now Chief of Military Personnel (CMP)) consider the Board's recommendation and report to him in due course.
Relocation Benefits – Integrated Relocation Pilot Project (IRPP) – Taxable Benefits The Board recommended that the CDS assess the impact of all direct and indirect reductions of the overall compensation available when conducting the final evaluation of the IRPP.	Professional cleaning and building inspection costs are taxable benefits, contrary to the information contained in the IRPP pamphlet. The CDS agreed with the Board's Finding and Recommendations, with the exception of the recommendation in favour of evaluating the impact of the direct and indirect reductions in the comprehensive posting allowance stemming from the final IRPP evaluation. Notwithstanding, the CDS was to bring this recommendation to the attention of the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) for appropriate action.
Relocation Benefits – Personal Motor Vehicle (PMV) The grievor stated that the choice of storage facility was made after consulting the experts from National Defence Headquarters prior to his posting. He indicated that he selected the most cost effective company, thereby saving the Department of National Defence a substantial amount of money. The Board found that there was insufficient information provided to the grievor, who should not suffer the consequences thereof.	The CDS agreed, adopting the Board's reasoning with regard to his power to authorize reimbursement, he also endorsed the Board's recommendation that the Director Compensation and Benefits Administration (DCBA) amend CFAO 209.47 to indicate more precisely what expenses qualify for reimbursement in respect of preparation fees relating to the storage of a vehicle at public expense.
Relocation Benefits – Pet Care Expenses The Board recommended that the CDS initiate a review of the CF policies and regulations pertaining to pet care expenses of members without dependents on attached posting, with the objective of allowing for the reimbursement of reasonable pet care expenses.	The CDS ordered a review of CF policies and regulations with a view of allowing the reimbursement of reasonable pet care expenses. In addressing this issue, the CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to consider the Board's recommendation and report on it in due course.

Systemic Issues	CDS's response
Relocation Benefits – Transfer vs Enrolment The CDS agreed with the Board's findings that a CF member remains enrolled when transferring from the Reserve Force to the Regular Force. Therefore he is entitled to have his furniture and effects moved to his place of enrolment and not his place of transfer where he was released.	Concerning the Board's recommendation that the administrative procedures and documents be modified to ensure a clear differentiation between transfer and enrolment, the CDS indicated that he made such a request in a similar grievance and he was informed that a review was underway.
Relocation of Dependants After having been denied a posting to Newfoundland in 1996, the grievor asked a few months later that his dependants and his family's furniture and effects (F&E) be moved to Newfoundland. The CF accepted this second request and had the grievor elect an Intended Place of Residence (IPR) to do so. He then requested that the CF reimburse his Real Estate/Legal Fees (RE/LF). The CF refused this request alleging that the grievor was foreclosed from any benefits related to the sale of his residence in Ottawa given that he had elected an IPR. The Board recommended that the grievance be upheld; early election for IPR move should be cancelled, as conditions were not satisfied, erroneous information was given and the grievor did not appreciate the impact of the election; grievor should be able to reimburse the Crown for IPR move, then have subsequent moves (+ RE/LF) considered for reimbursement. The Board recommended that the forthcoming Defence Administrative Orders and Directives (DAOD) on relocation consider allowing dependants to be relocated for compassionate reasons despite the absence of a posting for the CF member.	The CDS agreed with the Board's conclusion and upheld the grievance, for different reasons. He found correct information had been given, but that the CF leadership's decision to grant IPR 11 years before retirement was unreasonable; and he rescinded the decision, found RE/LF payable, and that subsequent moves could be considered. The CDS agreed with the Board's recommendation that since no provision exists to accommodate the relocation of dependants of CF members without the member first being posted, the forthcoming DAOD on relocation consider, when a posting is impossible, allowing dependants to be relocated for compassionate reasons despite the absence of a posting for the CF member. The CDS asked the ADM (HR — Mil) (now Chief of Military Personnel (CMP)) to consider the Board's F&R and report on it in due course.
Situational Assessment In an harassment case, the Board noted that the Situational Assessment (SA) was not in writing and, therefore, could not determine what was considered by the Responsible Officer (RO) to decide that the allegations did not meet the definition of harassment. The Board recommended that section 4.3 – Situational Assessment (SA), of the Harassment Prevention and Resolution Guidelines, referred to in DAOD 5012-0, be amended to require that SAs be completed in writing, disclosed to all parties and kept as part of the record.	The CDS agreed with the Board's recommendation that, in striving to maintain the principle of procedural fairness, the Harassment Prevention and Resolution Guidelines, referred to in DAOD 5012-0, be amended to require that all future SA be completed in writing and kept on record. The recommendation was forwarded to the Chief Military Personnel (CMP) and the Assistant Deputy Minister (Human Resources – Civilian) for review and consideration.

Systemic Issues	CDS's response
Spectrum of Care (CF) – Uniformity While the CF does have a policy on funding for *in vitro* fertilization (IVF) treatments, the funding is limited. Consequently, the grievor was denied funding, particularly since he requested IVF for his wife, a non-member. The mandate of the CF does not include the medical care of non-members. While the restrictive nature of the policy covering IVF may be found to be discriminatory on the basis of sex, physical disability and possibly province of residence, these restrictions are justifiable. The refusal of funding reflects the policy of every jurisdiction in Canada that could provide medical funding for this procedure. In addition, there are risks associated with IVF and intracytoplasmic sperm injection (ICSI) that justify the lack of funding at this time. The CF already monitors these new reproductive technologies for the betterment of CF members. The Board noted, however, that because dependants rely on their province of residence for medical coverage, the policy on dependant care may produce disparity of treatment offered to the families of CF members. The Board recommended that the grievance be denied, but that the CF continue monitoring developments in the area of reproductive technologies. It also recommends a review of the coverage offered to the families of members, particularly to ensure the uniformity of coverage offered throughout Canada.	The CDS agreed with the Board's recommendation and asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) to consider the Board's recommendations in addressing the staff issue and report on them in due course. A decision was rendered by the Federal Court in this matter in October 2007 (judicial review of the decision of the Canadian Human Rights Tribunal (CHRT)). The Federal Court set aside the CHRT decision and referred it back to the Tribunal for redetermination. In February 2008, pursuant to s. 53(2)(a) of the *Canadian Human Rights Act*, the CHRT ordered the Canadian Forces to take measures, in consultation with the Commission on the general purposes of the measures, to amend its policy such that as long as the Canadian Forces continues to fund *in vitro* fertilization (IVF) treatments for its female members, male members shall receive funding for the intracytoplasmic sperm injection (ICSI) portion of their infertility treatments.
Spectrum of Care (CF) The Canadian Forces Spectrum of Care (CF SoC) Review Committee determined the range of health care services to be included in the CF SoC. The five principles of care are guidelines and are not to be interpreted as rights. The Board found that the CF SoC principles are in fact a set of guidelines and not rights. The Board further found that the grievor did not meet the criteria for exceptional circumstances as outlined by the CF SoC Review Committee. The Board recommended to the CDS that the grievance be denied based on current CF policy for non-coverage of the procedure, which reflects that of the majority of provincial health care plans and the Public Service Health Care Plan. The Board recommended that CF policy on this issue be submitted for review by the CF SoC Review Committee to determine whether circumstances in which a member has been deprived of the custody	The CDS agreed with the Board's Findings and Recommendations. He denied the grievance based on the current policy of non-coverage of the procedure, which reflects that of the majority of provincial health care plans and the Public Service Health Care Plan. The CDS was satisfied that the circumstances were not exceptional and would not trigger the application of discretionary power. The CDS intended to convey the Board's recommendations to the appropriate authorities for their consideration.

Systemic Issues	CDS's response
and companionship of a child as a result of divorce or relationship breakdown, may be considered as exceptional circumstances. The Board further recommended a review of the National Defence Headquarters (NDHQ) policy documents to consider the removal of the ambiguity arising from the phrase "entitled to receive health benefits and services comparable to those provided to other Canadians through their respective provincial health care plans". The Board recommended that the policy explicitly state that the specific exclusions apply everywhere in Canada, regardless of the medical services which may be covered in provincial health plans.	
Submarine Speciality Allowance (SUBSPA) This allowance is a separate monthly allowance paid to submariners who are qualified to the level required by the CDS and serving on submarines. The governing regulations also permit payment of the allowance to members in some training situations and to shore-based qualified submariners but only to those in a specific number of designated positions, currently capped at 75 by Treasury Board. The Board has issued Findings and Recommendations on nine separate grievances, all dealing with entitlement to be paid SUBSPA. Unfortunately, as a result of the explicit regulatory criteria, the Board has been unable to recommend to the CDS that he grant the SUBSPA to any of these grievors. However, the Board is very cognizant of the inherent unfairness and inequity of the current system and the negative effect that it must undoubtedly have on the morale of affected members.	The CDS recognized that there are more positions that merit designation under the current criteria than the cap permits. The CDS indicated that he was not prepared to exceed the current cap in the absence of clearly defining the way ahead for this allowance. The CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) and the Chief of the Maritime Staff (CMS) to take notice of the Board's recommendation that the review of the SUBSPA benefit be accelerated. **Update:** The CDS reported that a review is actively underway.
Travel Allowance – Creation of a form for TA claims Given the confusion with Transportation Allowance (TA) and Commuting Allowance (CA), the Board recommended that a form should be created for submission of TA claims. This would prevent confusion for reserve units in the management of both claims, and for reservists entitled to TA.	The CDS asked the ADM (HR-Mil) (now Chief of Military Personnel (CMP)) that a form be created for the submission of TA claims.

Case Summaries - Summaries of other cases where the CDS rendered a decision in 2007-2008 can be found on the Board's Website at http://www.cfgb-cgfc.gc.ca.

SECTION III – SUPPLEMENTARY INFORMATION

Departmental Link to Government of Canada Outcome Areas

Alignment of program activity and strategic outcomes to Government of Canada outcomes: Federal Organizations that support all Government of Canada outcomes – Government Affairs.

($ thousands)

Strategic Outcome: Findings and Recommendations of the Canadian Forces Grievance Board are implemented and lead to improved conditions of service for members of the Canadian Forces.

	Actual Spending 2007-2008			
	Budgetary	Non-budgetary	Total	Alignment to Government of Canada Outcome Area
Program Activity: Review of Canadian Forces grievances referred by the Chief of the Defence Staff	3,325.2	–	3,325.2	Government Affairs
Program Activity: Internal Services	2,896.8	–	2,896.8	Government Affairs

Table 1: Comparison of Planned to Actual Spending (including FTEs)

(in $000,s)	2005-2006 Actual	2006-2007 Actual	2007-2008 Main Estimates	2007-2008 Planned Spending	2007-2008 Total Authorities	2007-2008 Actual
Review of Canadian Forces grievances referred by the Chief of Defence Staff	3,370.1	2,967.1	3,348.0	3,348.0	3,359.8	3,325.2
Internal Services	2,818.4	2,884.9	3,081.0	3,081.0	3,415.8	2,896.8
Total	**6,188.5**	**5,852.0**	**6,429.0**	**6,429.0**	**6,775.6**	**6,222.0**
Plus: Cost of services received without charge	276.8	255.9	259.0	259.0	259.0	295.0
Total Departmental Spending	**6,465.3**	**6,107.9**	**6,688.0**	**6,688.0**	**7,034.6**	**6,517.0**
Full-time Equivalents*	43.0	40.0	46.0	46.0	46.0	42.0

* Includes Members appointed by the Governor in Council.

The 2007-2008 total authorities represent an increase of $346.6 over the 2007-2008 total Main Estimates of $6,429.0. This difference represents funding through the Supplementary Estimates

for 2006-2007 operating budget carry forward and for the salary increases resulting from the collective bargaining agreements.

Table 2: Voted and Statutory Items

(In $000's)		2007-2008			
Vote or Statutory Item	Canadian Forces Grievance Board	Main Estimates	Planned Spending	Total Authorities	Total Actuals
15	Operating expenditures	5,830.0	5,831.0	6,158.5	5,604.9
(S)	Contributions to employee benefit plans	599.0	599.0	617.1	617.1
	Total	**6,429.0**	**6,429.0**	**6,775.6**	**6,222.0**

Actual spending was lower than total authorities as a result of general operating lapses to be carried forward to 2008-2009 and to salary costs being lower than anticipated due to delays in the staffing of positions.

Table 3: Response to Parliamentary Committees and External Audits

Response to the Auditor General
The Auditor General conducted performance audits on three small entities and reported the results in Chapter 2 of the October 2007 Report of the Auditor General. No recommendations were received. For more information, please consult the following website: http://www.oag-bvg.gc.ca/internet/English/aud_ch_oag_2007_2_e_23826.html
External audit
Audit of the Canadian Forces Grievance Board – A report by the Public Service Commission of Canada October 2007. For supplementary information on the department's response please visit: http://www.psc-cfp.gc.ca/adt-vrf/rprt/2007/cfgb-cgfc/index-eng.htm

Table 4: Travel Policies

Comparison to the Treasury Board Secretariat (TBS) Special Travel Authorities
The Canadian Forces Grievance Board follows the TBS Special Travel Authorities.
Comparison to the Treasury Board Secretariat (TBS) Travel Directive, Rates and Allowances
The Canadian Forces Grievance Board follows the TBS Travel Directive, Rates and Allowances.

Table 5: Financial Statements of the Canadian Forces Grievance Board

Financial statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables in the DPR is prepared on a modified cash basis of accounting in order to be consistent with the appropriations-based reporting. Note 3 on page 37 of the Financial statements reconcile these two accounting methods.

Canadian Forces Grievance Board
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with the management of the Canadian Forces Grievance Board. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Canadian Forces Grievance Board's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Canadian Forces Grievance Board's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Canadian Forces Grievance Board.

The financial statements of the Canadian Forces Grievance Board have not been audited.

James Price, Acting Chairperson

Anne Sinclair, Senior Financial Officer

Ottawa

July 21st, 2008

Canadian Forces Grievance Board
Statement of Operations (unaudited)
For the Year Ended March 31
(in dollars)

OPERATING EXPENSES	2008	2007
Salary and employee benefits (note 5)	4,539,875	4,063,355
Rental of office space and equipment	608,922	589,517
Other professional services	436,793	673,143
Informatics services	286,268	149,254
Accounting and legal services	149,478	141,934
Travel and relocation	137,165	73,075
Telecommunication services	87,985	84,801
Training and educational services	57,481	79,951
Provision for legal claim	50,000	-
Small informatics equipment and furniture	42,292	153,437
Materials and supplies	22,204	35,251
Amortization of tangible capital assets (note 4)	21,935	18,440
Communication services	17,480	21,738
Repairs	16,928	40,927
Postage and freight	8,299	6,741
Protection services	3,975	5,903
Publishing and printing	2,291	7,249
Interest	916	71
Total Expenses	6,490,287	6,144,787
REVENUES		
Miscellaneous Revenues	5	15
Net Cost of Operations	**6,490,282**	**6,144,772**

The accompanying notes form an integral part of these financial statements

Canadian Forces Grievance Board
Statement of Financial Position (unaudited)
At March 31
(in dollars)

	2008	2007
ASSETS		
Financial assets		
Accounts receivable and advances (note 6)	44,093	51,345
Non-financial assets		
Tangible capital assets (Note 4)	23,027	31,423
Total	**67,120**	**82,768**
LIABILITIES		
Liabilities		
Accounts payable and accrued liabilities (note 7)	402,706	485,035
Vacation pay	103,803	166,089
Contingent liabilities (note 8)	50,000	-
Employee severance benefits (note 5)	692,421	691,042
Total Liabilities	1,248,930	1,342,166
Equity of Canada	(1,181,810)	(1,259,398)
Total	**67,120**	**82,768**

Contractual obligations (Note 9)

The accompanying notes form an integral part of these financial statements

Canadian Forces Grievance Board
Statement of Equity of Canada (unaudited)
At March 31
(in dollars)

	2008	2007
Equity of Canada, beginning of year	(1,259,398)	(1,496,370)
Net cost of operations	(6,490,282)	(6,144,772)
Current year appropriations used (Note 3)	6,222,018	5,852,064
Revenue not available for spending	(5)	(15)
Change in net position in the Consolidated Revenue Fund (Note 3)	50,778	273,750
Services received without charge from other government departments (Note 10)	295,079	255,945
Equity of Canada, end of year	**(1,181,810)**	**(1,259,398)**

The accompanying notes form an integral part of these financial statements

Canadian Forces Grievance Board
Statement of Cash Flow (unaudited)
For the Year Ended March 31
(in dollars)

	2008	2007
Operating Activities		
Net Cost of Operations	6,490,282	6,144,772
Non-cash items included in Net Results		
Amortization of tangible capital assets	(21,935)	(18,440)
Services provided without charges from other government department	(295,079)	(255,945)
Variation in Statement of Financial Position		
Decrease in accounts payables and accrued liabilities	93,236	192,512
Increase (decrease) in receivables and advances	(7,252)	44,923
Cash used by operating activities	6,259,252	6,107,822
Capital Investment Activities		
Acquisitions of capital assets	13,540	17,976
Financing Activities		
Net cash provided by Government of Canada	6,272,792	6,125,798

The accompanying notes form an integral part of these financial statements

Canadian Forces Grievance Board
Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The Canadian Forces Grievance Board (CFGB) is an independent, arms-length organization that was created through amendments to the *National Defence Act* (NDA) approved by Parliament on December 10, 1998. The amendments that were made to the NDA were aimed at modernizing and strengthening the military justice system, making the whole grievance review process simpler and shorter for members of the Canadian Forces. The CFGB's mandate is to review grievances in order to render fair and impartial findings and recommendations in a timely and informal manner to the Chief of Defence Staff and the grievor.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) *Parliamentary appropriations* – the Canadian Forces Grievance Board is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the CFGB do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position, are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) *Net Cash Provided by Government* - The department operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the department are paid from the CRF. The net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) *Revenues*:

- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

- Revenues that have been received but not yet earned are recorded as deferred revenues.

(e) *Expenses* — Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment;

- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) *Employee future benefits*

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the plan. Current legislation does not require the department to make contributions for any actuarial deficiencies of the Plan.

ii. Severance Benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) *Contingent liabilities* – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) *Tangible capital assets* – All tangible assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. The Board does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

2. Summary of Significant Accounting Policies - continued

Tangible capital assets consist of informatics hardware and amortization is done on a straight-line basis over its estimated useful life of 3 years.

(j) Measurement uncertainty - The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The Department receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Department has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

		2008	2007
		(in dollars)	
Net Cost of Operations		6,490,282	6,144,772
Adjustments for items affecting net cost of operations but not affecting appropriations			
Add (Less):	Services received without charge	(295,079)	(255,945)
	Employee severance benefits	(1,380)	(44,253)
	Amortization of tangible capital assets	(21,935)	(18,440)
	Vacation pay and compensatory leave	62,284	-
	Other adjustments	(50,000)	(18,972)
	Revenues	5	15
	Refunds of prior years expenditures	24,301	26,911
		6,208,478	5,834,088
Adjustments for items not affecting net cost of operations but affecting appropriations			
Add:			
	Acquisitions of tangible capital assets	13,540	17,976
Current year appropriations used		**6,222,018**	**5,852,064**

3. Parliamentary Appropriations – continued

(b) Appropriations provided and used

	2008	2007
	(in dollars)	
Vote 15 - Operating expenditures	6,158,459	5,849,000
Statutory amounts	617,129	563,841
Less:		
Available for use in future years	-	-
Lapsed appropriations: Operating	(553,570)	(560,777)
Current year appropriation used	**6,222,018**	**5,852,064**

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2008	2007
	(in dollars)	
Net cash provided by Government	6,272,791	6,125,798
Revenue not available for spending	5	15
Change in net position in the Consolidated Revenue Fund		
Variation in advances	2,983	(129)
Variation in accounts receivable	4,269	(44,202)
Variation in accounts payable – others	(137,914)	(30,104)
Variation in accounts payable – OGD	35,398	(235,797)
Variation in accrued salaries	20,778	28,544
Variation in cash position	(593)	-
Refund of prior year expenditures	24,301	26,911
Other adjustments		(18,972)
	(50,778)	(273,734)
Current year appropriation used	**6,222,018**	**5,852,064**

Canadian Forces Grievance Board
Notes to the Financial Statements (unaudited)

4. Tangible Capital Assets

(in dollars)

COST				ACCUMULATED AMORTIZATION			2008	2007
Capital asset class	Opening balance	Acquisitions	Closing balance	Opening balance	Amortization	Closing balance	Net book value	Net book value
Machinery and equipment	248,568	13,540	262,108	217,146	21,935	239,081	23,027	31,422

Amortization expense for the year ended March 31, 2008 is $21,935 (2007 - $18,440).

5. Employee Benefits

(a) Pension benefits: The Board's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension plans benefits and they are indexed by inflation.

Both the employees and the Board contribute to the cost of the Plan. The 2007-08 expense amounts to $449,887 (2006-07 $415,551), which represents approximately 2.1 (2.2 in 2006-2007) times the contributions by employees.

The Board's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Board provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2008	2007
	(in dollars)	
Accrued benefit obligation, beginning of year	691,041	646,788
Expense for the year	1,380	44,253
Accrued benefit obligation, end of year	692,421	691,041

Canadian Forces Grievance Board
Notes to the Financial Statements (unaudited)

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2008	2007
	(in dollars)	
Receivables from other Federal Government departments and agencies	40,890	45,159
Employee advances	3,203	6,186
Total	**44,093**	**51,345**

7. Accounts Payable and Accrued Liabilities

The following table presents details of accounts receivable and advances:

	2008	2007
	(in dollars)	
Accrued salaries and wages	230,600	209,822
Accounts payable – External parties	75,056	212,970
Accounts payable – Other government departments	97,050	61,651
Total	**402,706**	**485,035**

8. Contingent liabilities

Claims and litigation

A decision has been rendered by the Canadian Human Rights Tribunal against the Board. Even though the decision is an enforceable judgment no payment and no request for payment has been made. The Board as made an application for judicial review. Legal proceedings for claims totalling approximately $50,000 were still pending at March 31, 2008. The liability that has been recorded represents the decision value and any interest cost that could be disbursed.

Canadian Forces Grievance Board
Notes to the Financial Statements (unaudited)

9. Contractual Obligations

The nature of the Board's activities can result in some large multi-year contracts and obligations whereby the Board will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in dollars)	**2009**
Accommodation	590,638

10. Related party transactions

The Board is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Board enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Board received services which were obtained without charge from other Government departments as presented below:

Services provided without charge

During the year the Board received without charge from other department the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Board's Statement of Operations as follows:

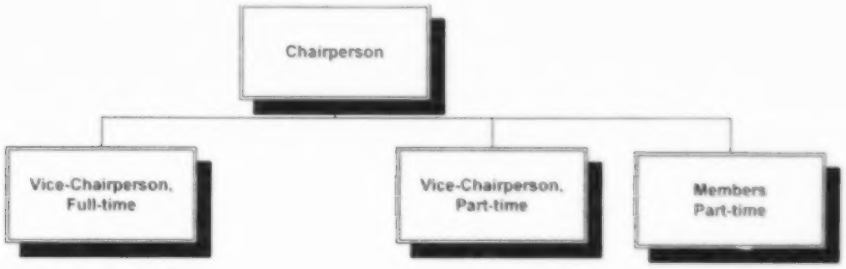
	2008	**2007**
	(in dollars)	
Employers contribution to the health and dental insurance plans	295,079	255,945

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included as an expense in the department's Statement of Operations.

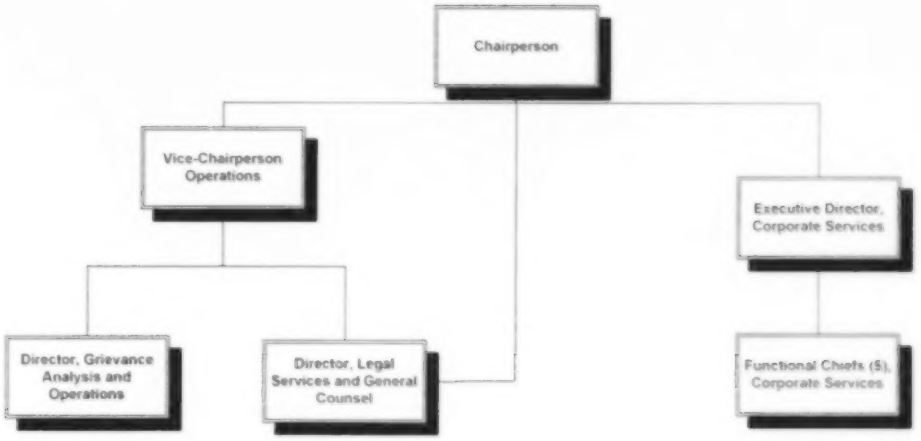
SECTION IV – OTHER ITEMS OF INTEREST

Organizational Information

Board Members



The Management Team



- The Chairperson is ultimately accountable to Parliament for the work carried out by the Members of the Board.
- The Chairperson, the Vice-Chairperson and other Board Members are primarily supported in their work by the Director, Grievance Analysis and Operations.
- Grievance officers review individual grievances and seek legal input and advice when conducting their research.
- In addition to providing legal advice to grievance officers and Members of the Board, legal counsel led by the Director, Legal Services and General Counsel, also provide legal opinions to the Chairperson and the Vice-Chairperson on a wide range of issues.
- The Executive Director is responsible for providing corporate services to support the operations, including strategic business planning and performance reporting, in addition to communications, finance, administration, information technology and human resources services.

Contacts for Further Information

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Statutory Annual Reports and Board Reports

Visit the Board's Web site at http://www.cfgb-cgfc.gc.ca/ for more on case summaries, Annual Reports and more about the work of the Board.